

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7611

Petition of Chittenden County Solar Partners, LLC,)
pursuant to 30 V.S.A. § 248, for a certificate of public good)
authorizing the installation and operation of a 2.2 MW solar)
electric generation facility located at Dubois Drive, South)
Burlington, Vermont)

Order entered: 10/21/2010

ORDER RE DECOMMISSIONING PLAN

On September 15, 2010, the Public Service Board ("Board") granted a Certificate of Public Good ("CPG"), pursuant to 30 V.S.A. § 248, to Chittenden County Solar Partners, LLC ("CCSP"), authorizing the installation and operation of a 2.2 MW solar electric generation facility in South Burlington, Vermont.

On October 6, 2010, as required by Condition 7 of the CPG, CCSP filed a decommissioning plan for the proposed project. The plan estimates that project decommissioning would cost approximately \$132,990 (including removal of the proposed project's structural elements and site restoration). CCSP proposes that the decommissioning fund will initially be funded with a Letter of Credit ("LC"), issued solely for the benefit of the Board and restricting any parties, including CCSP, from having the ability to demand payment under the LC. CCSP intends to use Merchants Bank for the LC. CCSP also proposes that the amount of the decommissioning fund be adjusted every five years to account for inflation with the issuance of a new or amended LC reflecting the revised costs of decommissioning.¹

On October 18, 2010, CCSP filed a letter stating that the Department of Public Service ("Department") had discussed the decommissioning fund with CCSP and requested that CCSP

1. CCSP did not propose an index for the inflation adjustment.

submit each five-year inflation adjustment to the Board for review. CCSP states that it does not object to the Department's request.

We conclude that the decommissioning plan submitted by CCSP on October 6, 2010, with the additional requirements identified below, satisfies the requirements for the plan set forth in Condition 7 of the September 15, 2010, CPG.

CCSP included, as Attachment B of its filing, a sample LC from Merchants Bank. The sample LC does not constitute an "irrevocable standby" letter and instead includes boilerplate language which refers to an expiration date. Consistent with Condition 7 and past Board requirements, we require that the LC be an "irrevocable standby" letter that includes an auto-extension provision (i.e. "evergreen clause").² Also, given that inflation can vary significantly from year to year, we require that the decommissioning fund be adjusted annually, rather than the proposed five-year interval. In addition, since CCSP did not provide a proposal, we require that the current annual Consumer Price Index as determined by the Bureau of Labor Statistics be used for the inflation adjustment.³ We will also require CCSP to file annual reports to the Board and the Department on the status of the decommissioning fund after each adjustment for inflation.

We therefore approve the decommissioning plan with the additional requirements identified above. CCSP shall file with the Board, within 10 days of the date of this Order, a revised decommissioning plan that includes the additional requirements discussed above.

SO ORDERED.

2. See, e.g., *Petition of Georgia Mountain Community Wind, LLC*, Docket 7508, Order of 6/11/10 at 86.

3. We require that the decommissioning fund only be adjusted upward for inflation, and in the event of negative annual Consumer Price Index, the fund remain unadjusted.

DATED at Montpelier, Vermont, this 21st day of October, 2010.

<u>s/ James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/ David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/ John D. Burke</u>)	

OFFICE OF THE CLERK

Filed: October 21, 2010

Attest: s/ Judith C. Whitney
Deputy Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)